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OFFICE OF THE MAYOR THOMAS M. MENINO

May 21, 1998

Magalie Roman Salas, Secretary Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

Dear Ms. Salas:

Please accept my formal comments on the "Proposed Revision of Maximum Collection Amounts for Schools and Libraries and Rural Heath Care Providers, Public Notice, CC Docket No. 96-45, DA 98-872." I have included an original and five copies of my comments.

Sincerely,

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Thomas M. Menino Mayor of Boston

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Formal Comments

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Proposed Revision of Maximum Collection Amounts for Schools and Libraries and Rural Health Care Providers, Public Notice, CC Docket No. 96-45, DA 98-872

May 22, 1998

Commenter:

Thomas M. Menino Mayor of Boston 1 City Hall Square Boston, MA 02201

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Formal Comments

Proposed Revision of Maximum Collection Amounts for Schools and Libraries and Rural Health Care Providers, Public Notice, CC Docket No. 96-45, DA 98-872

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1.1 Introduction

The federal universal service support mechanisms ("e-rate") for schools and libraries must be funded in 1998 and subsequent years at the annual cap of \$2.25 billion which was instituted by the Federal Communications Commission ("Commission") in its *Universal Service Order* on May 8, 1997.

Information technology is an essential element in today's economy and will be even more important in succeeding years. Computers, networks and access to the Internet must be a part of a child's education in order for him or her to have a chance in this new and very competitive environment.

Fewer than 10% of the students on Boston's public schools have computers in their homes. Schools, libraries and community centers are the only places in Boston and other areas of the country with concentrations of low-income families where students can access this important tool.

Boston plans on investing \$50 million of city money for computers, software, teacher training and technology support. The e-rate will help us add the necessary telecommunications links to the Internet, servers and local area networks to connect all the computers.

2.1 Using the E-rate as a Lever

Even with the e-rate, Boston and many other schools districts are picking up most of the expenses for bringing technology into schools and libraries. With a \$50 million five year capital plan, over \$5 million in annual operating expenses and \$30 million raised from the private sector and foundation and government grants, Boston is committed to putting technology into our schools and libraries. We plan on using the e-rate as a lever to obtain additional funding from other sources and to purchase fast access to the Internet and local area network connections to each of our classrooms.

Reducing the fund from \$2.25 billion to \$1.67 billion, a 25% reduction from the cap in the original order, means that thousands of districts throughout the country will not be able to complete their technology projects and students in Boston and other low-income areas of country will fall further behind.

3.1 Technology is an Essential Element in Our Democracy

Universal service is an important part of our telecommunications history. Earlier in the century, Congress determined that rural areas needed a special fund to help them get "wired" and to bring down the cost of service. Congress realized that the telephone helps link the country together and is a part of providing equal access to economic and social opportunities for all Americans. The Internet and digital information and communication

must be coupled with universal service in much the same way – low-income urban and rural areas are technology have-nots. The fabric of our democracy will deteriorate if we do not address the disparity between the "haves" and the "have-nots."

The overwhelming demand for the e-rate in the first three and one half months of the program gives ample evidence that Congress and the Commission should provide funds up to the original cap. To do less means that we are settling for a policy that punishes those that are less well off.

4.1 Contracts and Plans are in Place

Vendors and schools and libraries signed thousands of construction and service contracts in order to apply for 1998 e-rate funds. Compliance with state and local procurement laws will require rebidding many of these contracts if they must be substantially modified. Reducing the e-rate fund will cause disruptions, delays and additional expense. Once again the most needy will be told to wait.